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01 BEFORE THE CALIFORNIA HORSE RACING BOARD

01

02 OF THE STATE OF CALIFORNIA

02

03 ROBERT TOURTELOT, CHAIRMAN

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06 In the Matter of: )

06 )

07 The Special Meeting of the )

07 California Horse Racing Board )

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13 TRANSCRIPT OF PROCEEDINGS

13

14 Tuesday, November 14, 2000

14

15 Sacramento, California

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22 Reported by:

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23 JENNIFER SCHUMACHER, CSR

23 CSR No. 9763

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24 Job No.:

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In the Matter of: )  
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The Regular Meeting of the )  
California Horse Racing Board )  
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TRANSCRIPT OF PROCEEDINGS, taken  
at the HILTON SACRAMENTO ARDEN, Sacramento,  
California, commencing at 2:01 p.m., on  
Tuesday, November 14, 2000, heard before  
ROBERT TOURTELOT, Chairman, reported by  
JENNIFER SCHUMACHER, CSR No. 9763, a  
Certified Shorthand Reporter in and for  
the State of California.

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APPEARANCES:

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Chairman:	Robert Tourtelot (Telephonic)
Member:	Sheryl L. Granzella
Member:	Marie G. Moretti
Member:	John C. Harris (Telephonic)

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Executive Director: Roy C. Wood, Jr.  
Assistant Executive Director: Peter Southworth

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01 Sacramento, California, Tuesday, November 14, 2000  
02 2:01 p.m.  
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05 MR. WOOD: Good afternoon everyone. Welcome to  
06 the special meeting of the California Horse Racing  
07 Board. This is a historic meeting in the fact that it's  
08 a telephonic meeting. First one we've had in my history  
09 of being with the Board. And just before we start I  
10 want to make the meeting become official. I want to  
11 welcome everyone who is here in the audience and make a  
12 couple requests. If anyone speaks to the Board today  
13 during this meeting, whomever that may be, I'd ask that  
14 they speak their name to begin with before they make a  
15 statement so we will be able to talk to the court  
16 reporter, and we will be able to identify each other.  
17 And as I stated earlier, this is a special

18 meeting of the California Horse Racing Board being  
19 conducted on November the 13th at the California Horse  
20 Racing Board office in Sacramento, California -- excuse  
21 me -- November the 14th. Correct that. Yesterday was  
22 the 13th. Before we begin, I'd like to call the role of  
23 those in attendance. Commissioner -- Chairman -- excuse  
24 me -- Robert Tourtelot?  
25 MR. TOURTELOT: I'm present.

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01 MR. WOOD: Commissioner Sheryl Granzella?  
02 MS. GRANZELLA: Present.  
03 MR. WOOD: Commissioner Marie Moretti?  
04 MS. MORETTI: Present.  
05 MR. WOOD: Commissioner John Harris?  
06 MR. HARRIS: Present.  
07 MR. WOOD: As I said earlier, when you give some  
08 testimony before you begin speaking in this room or on  
09 the telephone begin your name first. Mr. Harris and  
10 Mr. Tourtelot, sent to you earlier this morning a  
11 finding upon the opening of this meeting which I would  
12 like now -- and Ms. Granzella and Ms. Moretti have  
13 looked at -- that I'd like to concur that you received  
14 and ask for a roll call vote on the approval of that  
15 item.  
16 MR. HARRIS: Well, I did receive it, Roy.  
17 MR. WOOD: We will, therefore, take a roll call, vote  
18 on that item. Chairman Tourtelot?  
19 MR. TOURTELOT: What are we voting on?  
20 MR. WOOD: Finding upon the opening of a special  
21 meeting of the Horse Racing Board. It's a document  
22 stating the reasons for this special meeting.  
23 MR. TOURTELOT: I agree.  
24 MR. WOOD: Commissioner Granzella?  
25 MS. GRANZELLA: I agree.

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01 MR. WOOD: Commissioner Moretti?  
02 MS. MORETTI: Yes, I agree.  
03 MR. WOOD: Commissioner Harris?  
04 MR. HARRIS: This is Harris. That's fine.  
05 MR. WOOD: With that, the meeting is in order. I will  
06 turn it over to the chairman of the Horse Racing Board,  
07 Mr. Tourtelot.  
08 MR. TOURTELOT: Thank you, Roy. I think it would  
09 be appropriate at the outset to congratulate John Harris  
10 on the appointment to the Board. I think that his  
11 knowledge and expertise in this industry is going to be  
12 an invaluable asset to the Board and horse racing in  
13 general.  
14 MR. HARRIS: I appreciate that, Bob. And I'm looking  
15 forward to working with the Board and have a lot  
16 of respect for all the members of the Board and all the  
17 staff, and looking forward to working with everyone  
18 regarding horse racing.  
19 MR. TOURTELOT: We're lucky to have you.  
20 MS. MORETTI: Congratulations, John.  
21 MR. WOOD: We had a statement from Ms. Moretti.  
22 I think she'd like to repeat that.

23 MS. MORETTI: I'm extremely happy you're on the Board.  
24 MS. GRANZELLA: Me too. Congratulations.  
25 MR. HARRIS: You're getting kind of lonely with  
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01 only three of you.  
02 MS. GRANZELLA: We're very close.  
03 MR. WOOD: We're all happy to have you.  
04 MR. TOURTELOT: The first item is the discussion,  
05 including the opportunity for the members of the public  
06 to address the Board, and action by the Board on the  
07 application for license to conduct a horse racing  
08 meeting of the Pacific Racing Association at Golden Gate  
09 Fields, commencing November 15th, 2000 to January 15th,  
10 2001, inclusive.  
11 MS. WAGNER: Jackie Wagner of CHRB staff. The  
12 application before you is the application from the  
13 Pacific Horse Racing Association for its thoroughbred  
14 race meet to be held at Golden Gate Fields. Pacific  
15 Racing Association is proposing to race from November  
16 15th through January the 15th, 2001 for 47 days, which  
17 is three more days than they raced in 1999. The  
18 association proposes to race a total of 405 races, or  
19 8.6 races per day.  
20 MR. HARRIS: Pardon me. I was under the  
21 impression that this proposal had been amended to change  
22 these dates. Were we going to review those proposals  
23 and go to the amendment?  
24 MR. TOURTELOT: I think that's the second item.  
25 MS. WAGNER: They are proposing to race five days per  
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01 week, Wednesday through Sunday, with eight races per day  
02 on the weekdays, and nine races on Saturday,  
03 Sundays, and holidays. We are requesting the option to  
04 increase the number of races to nine and ten,  
05 respectively, if horses are available. They will be  
06 racing December the 26th, Monday, January the 1st, and  
07 the 15th, and they will not be racing the day after  
08 Christmas, which is Wednesday, December the 27th, first  
09 post time will be 12:45 p.m. And they are proposing a  
10 wagering program that will use all CHRB rules.  
11 As you know, Golden Gate Fields has undertaken  
12 some extensive improvements to their facility, and we  
13 are pleased to report that this has progressed very  
14 well, and the facility looks the best as it has looked  
15 in years. We still have a couple of items that are  
16 outstanding to complete this operation. These include  
17 the fire clearance for Berkeley and the Workers'  
18 Compensation insurance for January the 2nd and for  
19 January the 13th, 2001. We have received the horsemen's  
20 agreement from the TOC, and staff would recommend that  
21 the Board approve the application as presented.  
22 MR. TOURTELOT: Any questions from the commissioners?  
23 MS. MORETTI: This is Marie Moretti. I have a couple  
24 of questions. I can see that we have time for  
25 the January application, but could you address the fact  
0009  
01 that the fire clearance that we may need by tomorrow, do

02 we have that?

03 MS. WAGNER: Typically we do receive a fire clearance  
04 in time for the race meet to go on. It's my understanding  
05 that they have inspected the facility, and  
06 we are waiting for the paperwork from the City of  
07 Berkeley.

08 MR. LIEBAU: Jack Liebau -- that's also my  
09 understanding -- representing Pacific Racing  
10 Association.

11 MR. HARRIS: This is John Harris. What issue I  
12 had was the six-day week in January, first week of  
13 January. If they race on Monday -- it would seem if  
14 they were going to do a five-day week, they should not  
15 race on the 3rd of January and then come back on the  
16 4th. But is there some rationale why they feel six days  
17 a week works in that week?

18 MR. LIEBAU: Jack Liebau. Those dates were allocated,  
19 and the number of days were previously  
20 allocated with respect to the calendar 2001 because of  
21 the -- of it being a leap year. But I would say  
22 generally that we would hope in the future that we would  
23 not have a six-day week such as that.

24 MR. HARRIS: 2001 is a leap year?

25 MR. WOOD: This year was the leap year. The  
0010 racing calendar was calculated -- this is Roy Wood, the  
01 executive director of the Horse Racing Board. The  
02 racing calendar which was previously approved by the  
03 Board setting out the race dates for 2000, 2001 included  
04 the concept of the leap year in the calculation of  
05 dates. Last year, 2000, caused some adjustments in the  
06 scheduling that were not in keeping with the prior  
07 years, allocations from the Monday through Wednesday  
08 racing calendar.

09 MR. LIEBAU: Again, this is Jack Liebau. That is  
10 sometimes the indication, and I was more apt to point  
11 out in the past than I am today the north sort of just  
12 goes along with the south.

13 MR. HARRIS: This is John Harris. One of my concerns  
14 is just during January -- from my knowledge of  
15 the north it's hard to get big field sizes during -- you  
16 know, if you've got a lot of mud and things. There's  
17 really two dates in January looks like you're racing six  
18 days a week. By racing January the 3rd I also assume  
19 with the other application -- well, on the original  
20 application was the thought that they would start back  
21 on January 18th or 19th.

22 MR. WOOD: The 18th, I believe.

23 MR. HARRIS: I don't know if that was another six days  
24 a week after Martin Luther King Day.

0011 MR. LIEBAU: Yes, it was.

02 MR. HARRIS: I'm just concerned that whereas you  
03 can continue to simulcast the south and their various  
04 programs, it might be more prudent to race five-day  
05 weeks in those two weeks in that those are not  
06 particularly big weeks anyway.

07 MR. LIEBAU: Well, every day is a big day for the  
08 owners that have horses that run on that particular day.  
09 With that said, I will say that entries were very  
10 strong for the first few days at Golden Gate, and I  
11 think a lot of that has to do with the fact that the  
12 Golden Gate barn area has been substantially improved,  
13 and we are getting better utilization of the stalls at  
14 Golden Gate. I think the verdict is out as far as what  
15 our field size will be, and we do have sort of a new  
16 regime as far as carting of races is concerned.

17 MS. MORETTI: Jack, could I just ask you, I think  
18 somewhere in here I saw that there was going to be a  
19 charge instituted for clubhouse admission now that  
20 hadn't been in the past. Typically don't most race  
21 tracks charge for clubhouse?

22 MR. TOURTELOT: I'm having a hard time hearing.

23 MS. MORETTI: Seems to me there was a notation in here  
24 that there would be an increase to four dollars --  
25 not an increase. There would be a charge of four  
0012 dollars for clubhouse admission in Golden Gate, and in  
01 past years there has never been a charge for clubhouse  
02 admissions. I was wondering if you could comment on  
03 that. Is that going to help defray some of the cost?

04 MR. LIEBAU: No. I think that the policy is that  
05 there be a differential in pricing between the  
06 grandstand, clubhouse, and turf charge.

07 MR. HARRIS: Four dollars upcharge? From no  
08 charge to four dollars?

09 MR. LIEBAU: No. It's four dollars to get into  
10 the clubhouse. That is not an upcharge. It's four  
11 dollars.

12 MR. HARRIS: How much is it to get in the grandstand?

13 MR. LIEBAU: Three dollars.

14 MR. HARRIS: So it's a dollar more to get up in  
15 the clubhouse. Does the Board have any latitude over  
16 charges in any event?

17 MS. MORETTI: I was just curious more than  
18 anything else.

19 MR. LIEBAU: It's something that's stated in the  
20 application, but I don't think that the Board in the  
21 past has ever attempted to regulate pricing.

22 MR. TOURTELOT: We questioned Del Mar's upcharge, and  
23 they gave us satisfactory response in the number of years  
24 and lowered the price of the program or something, and it  
0013 made sense. But John, I think the answer is yes,  
01 I think you can question anything in the application  
02 that you want.

03 MS. MORETTI: Can I just ask one other quick question?  
04 On these papers, which may have been prepared before, Dan  
05 Edson is still the racing secretary, but  
06 it's my understanding that's no longer the case.

07 MR. LIEBAU: Greg Brent is the racing secretary,  
08 and there's a new page that maybe didn't include the  
09 racing secretary but included changes with respect to  
10 the officers.  
11

12 MR. HARRIS: John Harris. On the purse program  
13 we talk about -- we talk about the purse distribution  
14 for all stakes is five hundred and five thousand. I  
15 think that meant all listed stakes. I don't think that  
16 includes overnight stakes.

17 MR. LIEBAU: It does not include overnight  
18 stakes. They are treated no different than any other  
19 allowance.

20 MR. TOURTELOT: All stakes other than overnight  
21 stakes. This is Bob. Further answer to the question  
22 that the Board probably doesn't have the authority to  
23 tell the association what they can charge for the turf  
24 club or the clubhouse, but you can not approve the  
25 application if you like based on anything that you  
0014 believe is not in the best interest of the fans and the  
01 racing, et cetera.

02 MR. HARRIS: Yeah.

03 MS. MORETTI: No more questions from me.

04 MR. WOOD: Commissioner Tourtelot, there's no  
05 more questions.

06 MR. HARRIS: John Harris. As I understand it on  
07 the distribution for the recognized horsemen's trades  
08 TOC, CTT, NTRA -- that is the horsemen's portion of  
09 NTRA -- or contribution to NTRA is 1.75 percent.

10 MR. LIEBAU: Yes. That is the amount that the  
11 Thoroughbred Owners of California have requested to be  
12 withheld from purses in order to presumably be donated  
13 or contributed to a national organization.

14 MR. HARRIS: I couldn't remember if that was a  
15 legislative type of a thing or that is just a  
16 meet-by-meet thing that they do.

17 MR. LIEBAU: There was special legislation passed that  
18 allowed that to be a permissible take-out.

19 MR. HARRIS: As I understand it, basically from  
20 this point Golden Gate would not be a member of NTRA.

21 MR. TOURTELOT: They haven't paid their dues.

22 MR. LIEBAU: There are a number of tracks in the  
23 country numbering more than the 22 that are publicized  
24 that as of November 10th did not agree to continue their  
0015 memberships. Whether they will continue their  
01 memberships, include Golden Gate Fields, depends on  
02 certain associations that are now taking place.

03 MR. TOURTELOT: John, I think the legislation is  
04 in the form of permissible to have, as opposed to being  
05 required.

06 MR. LIEBAU: I think there's a question as to whether  
07 the horsemen participating will want to continue  
08 to contribute if the track is not matching the  
09 contribution, but I don't think that that has been  
10 decided yet by the Thoroughbred Owners of California. I  
11 know in the South Atlantic region the horsemen have said  
12 that if the tracks withdraw, they are no longer going to  
13 contribute.

14 MR. TOURTELOT: How is that money held? In other  
15 words, is it taken out for the benefit of the NTRA?



17 What is the process? Where does it go, and how is it  
18 handled?

19 MR. LIEBAU: This is Jack Liebau again. The  
20 tracks receive a written direction from the Thoroughbred  
21 Owners of California as to how much is to be distributed  
22 to the NTRA.

23 MR. TOURTELOT: And what if the track withholds  
24 the money but doesn't forward it to the NTRA because  
25 they have some other dispute?

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01 MR. LIEBAU: I think that the tracks are holding that  
02 money in trust in the same manner that they hold  
03 purse money in trust.

04 MR. TOURTELOT: You're satisfied with that?

05 MR. LIEBAU: Am I satisfied with that  
06 relationship?

07 MR. TOURTELOT: Right.

08 MR. LIEBAU: Yes.

09 MR. TOURTELOT: Any other questions from the  
10 commissioners?

11 MS. MORETTI: No.

12 MR. TOURTELOT: Any questions from the general public?  
13 Any comments?

14 MR. WOOD: None from this side, Mr. Chairman.

15 MR. TOURTELOT: What other side would there be?

16 MR. WOOD: I don't know. Maybe you had someone  
17 down in your office I didn't know about.

18 MR. HARRIS: This is John Harris. About how many  
19 people are in the office there?

20 MR. WOOD: I would say 12 to 15. Most of them  
21 are members of the staff. There are several public  
22 citizens here. Chris Korby from CARF, and Dave Elliott  
23 from CARF. Debbie Obridden from the Sacramento Bee is  
24 with us. And there's a gentleman in the back. I don't  
25 know his name.

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01 MR. GOODBERRY: Goodberry.

02 MR. WOOD: Dr. Goodberry is here. I didn't recognize  
03 you with your hat off. So that's who is here today.

04 MR. TOURTELOT: Is that about it on the comments?

05 MR. WOOD: Yes, sir. No more comments from me.

06 MR. TOURTELOT: Being that there's no other comments,  
07 then call for a motion to approve the  
08 application for license to conduct a horse racing  
09 meeting of the Pacific Racing Association at Golden Gate  
10 Fields commencing November 15th, 2000 through January  
11 15th, 2001, inclusive.

12 MS. MORETTI: This is Marie Moretti, and I would move  
13 that the application for license to conduct a horse racing  
14 meeting of the Pacific Racing Association be approved for  
15 that time period.

16 MR. TOURTELOT: Is there a second?

17 MS. GRANZELLA: I'll second the motion.

18 MR. TOURTELOT: All right. We have a motion, we  
19 have a second. All in favor?

20 MS. MORETTI: Aye.

21 MR. GRANZELLA: Aye.

22 MR. HARRIS: Aye.  
23 MR. WOOD: We need a roll call vote.  
24 MR. TOURTELOT: Commissioner Moretti?  
25 MS. MORETTI: Aye.

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01 MR. TOURTELOT: Commissioner Granzella?  
02 MS. GRANZELLA: Aye.  
03 MR. TOURTELOT: Commissioner Harris?  
04 MR. HARRIS: Aye.  
05 MR. TOURTELOT: Commissioner Tourtelot votes aye,  
06 so the motion is approved four to zero.  
07 The next item on agenda is a discussion,  
08 including opportunity for members of the public to  
09 address the Board, and action by the Board on the  
10 application of Magna Entertainment to reallocate the  
11 2001 race dates for northern thoroughbred race meet  
12 licenses.  
13 MR. REAGAN: John Reagan, R-e-a-g-a-n, CHRB  
14 staff. As indicated in the Board package, with the  
15 acquisition of Pacific Racing and Bay Meadows operating  
16 company Magna Entertainment has requested a realignment  
17 of the northern thoroughbred race dates. This is not an  
18 increase or decrease in the number of days, simply a  
19 realignment of those dates between the two facilities at  
20 Bay Meadows and Golden Gate Fields.  
21 Rather than try to describe it, we included in  
22 the package a bar chart showing the current thoroughbred  
23 meetings north and south, and then the proposed northern  
24 reallocation at the middle of the bar chart. And we see  
25 that the biggest change is that Golden Gate Fields

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01 instead of stopping in January now continues through the  
02 end of March, first of April. Bay Meadows then picks up  
03 in early April through the middle of June. We take time  
04 out for the fair circuit. And Bay Meadows comes back in  
05 the fall on August 31st through November 5th, and Golden  
06 Gate Fields finishes up November 7th through December  
07 17th, the fall portion of the schedule being very  
08 similar to the prior allocation. It's the change in the  
09 spring that makes the difference. Staff recommends that  
10 upon the successful closing of the acquisition of Bay  
11 Meadows by Magna that this be approved contingent upon  
12 that closing.  
13 MR. TOURTELOT: John, this is Commissioner Tourtelot.  
14 This is obviously to eliminate the split  
15 meet. But trying to go back to the Del Mar meeting I  
16 believe it was where we voted on the acquisition by  
17 Magna of the race date that the brokerage firm has, and  
18 I thought -- weren't we talking about a one-year lease  
19 that the brokerage -- what is the name of the firm that  
20 owns it?  
21 MR. REAGAN: Paine Webber.  
22 MR. TOURTELOT: That Paine Webber would not give Magna  
23 a lease of more than one year. Isn't that  
24 correct?  
25 MR. LIEBAU: The existing lease is to be through

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01 December 31, 2002, and the lease is really for 365 days  
02 a year because we operate both as a live meet and as a  
03 satellite facility. So it does not impact the lease one  
04 way or the other.

05 MR. TOURTELOT: So we're not talking about  
06 extending the race dates beyond the signed lease because  
07 of the switch from Golden Gate to Bay Meadows?

08 MR. LIEBAU: No, we are not.

09 MR. HARRIS: This is John Harris. We are  
10 really -- we're not suggesting that we're doing more  
11 than just allocated dates for 2001.

12 MR. WOOD: Just adjusting.

13 MR. REAGAN: In that case we're just adjusting between  
14 the two facilities. No change in the total  
15 number of dates.

16 MR. TOURTELOT: He brings up an important point  
17 that we made very clear to Magna at the time we approved  
18 the Paine Webber transaction, that is, the fact that we  
19 approved that transaction. And I made it very clear on  
20 the record, I believe, that it was in no way to be  
21 interpreted as an indication from the Board that how the  
22 Board would act on its future application for race  
23 dates. We made that -- specifically pointed that out to  
24 Magna.

25 MR. LIEBAU: I think all concerned will stipulate that  
0021 it was made abundantly clear.

02 MR. REAGAN: Commissioners, John Reagan here. I  
03 do need to note that the Board has received two  
04 communications, one from the Thoroughbred Owners of  
05 California, and one from the California Thoroughbred  
06 Trainers. Both have indicated their support for this  
07 item in that they both approve for the realignment of  
08 race dates in Northern California.

09 MR. TOURTELOT: And I also had Roy Wood check  
10 with labor at the last non-meeting, I guess we could  
11 call it, and labor has no objection.

12 MR. WOOD: That's correct, Chairman Tourtelot.

13 MR. TOURTELOT: Any comment from the Board?

14 MS. MORETTI: This is Marie. I would just also  
15 echo that the horsemen that I've talked with have  
16 actually said that they were looking forward to not  
17 having to move twice this year.

18 MS. GRANZELLA: This is Sheryl Granzella.  
19 Reinforcing what Commissioner Moretti said, the ones  
20 that I talked to said they were very happy about it.

21 MR. HARRIS: This is John Harris. I followed  
22 those northern dates for quite a while. This is a much  
23 preferable system. There's the pluses and minuses of  
24 two different ownerships, but this is one of the pluses.

25 MR. LIEBAU: I might just add, Commissioner  
0022 Harris, it took a long time for people to see the light.

02 MR. HARRIS: Someone to come in and buy the  
03 tracks.

04 MS. MORETTI: This is Marie. I just have a  
05 hypothetical. Would this lead to more horses coming to

06 Northern California or any more trainers?  
07 MR. LIEBAU: I think it's possible because the  
08 trainers were reluctant because of the split meets  
09 having to really move four times during the year if they  
10 wanted to be at the live track. Now it will only mean  
11 that they will have to move once. And there may be a  
12 little difference during the summer in that more people  
13 will stable at Bay Meadows than previously because of  
14 the fact that they will ship from Bay Meadows to the  
15 fairs. So I would hope that happens.  
16 MS. MORETTI: I would be very curious at the end  
17 of this experiment or the end of the first year of this  
18 what numbers looks like in terms of horses and revenues.  
19 I think that might be interesting.  
20 MR. LIEBAU: I think there probably is a better  
21 chance of it positively impacting field size than  
22 attracting additional horses.  
23 MR. HARRIS: I think so, too. As I understand  
24 it, the better equipped for infield and things like that  
25 were probably done better in the late spring of the  
0023 year, which we're able to do that.  
02 MR. TOURTELOT: The infield was --  
03 MR. HARRIS: Part of it is still opened. Is part  
04 of the infield still available at Bay Meadows?  
05 MR. LIEBAU: It is not unusual for Bay Meadows --  
06 at least during the fall we sell the infield out every  
07 Saturday and Sunday and have companies that have  
08 corporate events up there where they have as many as  
09 5,000 people in the infield.  
10 MR. TOURTELOT: Is that where you put the stalls  
11 in?  
12 MR. LIEBAU: Yes.  
13 MR. TOURTELOT: You pack them in like sardines.  
14 MR. LIEBAU: Seldom happens on race days.  
15 MR. TOURTELOT: Any comments from the general public?  
16 MR. KORBY: Chris Korby from California Authority  
17 of Racing Fairs, also speaking here specifically on  
18 behalf of San Joaquin County Fair. We would  
19 respectfully request that the Board reconsider  
20 allocation dates in 2001 that overlap with the fairs  
21 that would involve four days at the second week, second  
22 full week of June, and four days over Labor Day weekend.  
23 We believe that the overlap situation in Northern  
24 California is an experiment that has run its course and  
25 is not successful. It creates and it exacerbates the  
0024 shortage of horses. In short, we don't think it's in  
01 the best interest of racing and ask the Board to  
02 consider that in its deliberations.  
03 MR. TOURTELOT: Is it Chris?  
04 MR. KORBY: Yes.  
05 MR. TOURTELOT: Hi, Chris. Bob Tourtelot. This came  
06 up also at the time when we were approving the application  
07 by Magna to I think it was the Bay Meadows  
08 race dates.  
09 MR. LIEBAU: Commissioner Tourtelot, I think it's come

11 up two times recently. Once when dates were originally  
12 allocated for 2001 the issue was raised. The issue was  
13 then again raised when Magna sought permission  
14 to acquire Bay Meadows. So it has been before you  
15 within the year at least twice already. I'm afraid that  
16 it is somewhat akin to counting votes in the State of  
17 Florida.

18 MR. TOURTELOT: I'm not saying this easily, Jack.  
19 I remember talking with you about it at the time of the  
20 Bay Meadows application, and I thought that you had said  
21 that you saw some light at the end of the tunnel in  
22 finally doing something about this problem.

23 MR. LIEBAU: I think the way that the fairs  
24 always present the solving of the problem is by having  
25 the tracks, so to speak, Golden Gate and Bay Meadows,  
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01 shut down. That's the solution that's always sought. I  
02 think that what we're doing here today is really  
03 changing the location of dates that have already been  
04 allocated, and we're doing nothing more than that. For  
05 that reason I don't think that this issue should even be  
06 addressed.

07 MR. TOURTELOT: Well, I don't think -- it can't  
08 have any effect on our vote one way or the other I don't  
09 believe. But just it keeps surfacing or resurfacing.

10 MS. MORETTI: This is an issue that I've raised a  
11 couple times in the past. And I would very much like it  
12 to be part of the discussion when we review the dates  
13 for 2002. And I've suggested that to the parties  
14 involved and have gotten, I think, positive feedback  
15 that people are willing to come to the table and work on  
16 a solution that might be workable for all concerned, or  
17 at least make an effort to do that. My opinion for this  
18 point is because it is a reallocation for something we  
19 already voted on, I would say that we -- I would  
20 suggest --

21 MR. HARRIS: This is John Harris. I would agree with  
22 Marie Moretti that it is something that's been a  
23 topic of discussion over the years, that we never have  
24 completely resolved it to everyone's benefit. But at  
25 this point if those dates have been agreed to maybe it's  
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01 something we can look at into the future.

02 But one issue I'm not exactly sure -- I thought  
03 there was some split of parimutuel handle when overlap  
04 occurs, when fairs are somewhat made partially whole  
05 because they are getting handle in addition to the  
06 handle actually generated by their races.

07 MR. KORBY: Yes, sir. This is Chris Korby.  
08 That's correct. First of all, I want to thank the Board  
09 for consideration here. We do stand ready to sit down  
10 and talk with the Board about solutions to this. With  
11 respect to the division of parimutuel handle during  
12 overlap period, that is correct; however, I would note  
13 that that division was put in statute before the  
14 existing simulcast situation existed, and there are  
15 changes to the circumstances of simulcasting that have

16 affected what we consider the fairness of that division.  
17 MR. LIEBAU: Could you be specific on that? It's  
18 my understanding that the division relates to off track  
19 betting that includes both live races and simulcast  
20 racing.

21 MR. KORBY: I would say that specifically with respect  
22 to the impact that it has on revenues to the  
23 fairs from out of state simulcast revenues.

24 MR. ELLIOTT: Dave Elliott here representing  
25 California State Fair and most recently the Fresno Fair.  
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01 Mr. Harris, the Fresno Fair when they are racing in full  
02 overlap -- and we're not talking about that right now.  
03 But just to let you know that Fresno Fair, they only  
04 receive commissions and purse moneys of what they  
05 actually generate on and off track. They do get a  
06 stipends, if you will, of about 80,000 based on license  
07 fee relief for Bay Meadows and for the Fresno Fair when  
08 they are actually running. However, the Fresno Fair  
09 also gets supplemental purse money from the state.

10 As to the other overlap fairs -- and I will add  
11 purse money during overlap periods -- there's no split  
12 in purse money. Purse money is -- the fairs do get  
13 supplemental purse money. However, they do not get a  
14 portion of what is bet on out of state and out of zone  
15 races. For instance, Cal Expo does not receive any  
16 purse moneys from a bet made on Del Mar in the northern  
17 market when they are in overlap with Bay Meadows.

18 MR. LIEBAU: I would agree. And I don't want to  
19 argue that here. But there is no question that the  
20 money at the overlap fairs, whether they be at Stockton,  
21 or whether they be at the State Fair, are equal to the  
22 purses that are offered at the major tracks. And I  
23 don't think that anyone here would suggest that Stockton  
24 or Cal Expo should have purses higher than those  
25 prevailing at either Bay Meadows or the San Joaquin

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01 County Fair.

02 MR. KORBY: That concludes the comments from the  
03 fairs. This is Chris Korby. Thank you for your  
04 consideration.

05 MR. TOURTELOT: Then the chair will entertain a motion  
06 to approve the application of Magna Entertainment  
07 to reallocate the 2001 race dates for the northern  
08 thoroughbred race meet.

09 MS. GRANZELLA: This is Sheryl. I'll make the motion  
10 to reallocate the 2001 race dates for the  
11 northern thoroughbred race meet licenses.

12 MR. TOURTELOT: Is there a second?

13 MS. MORETTI: I'll second it. This is Marie Moretti.

14 MR. TOURTELOT: We have a motion. We have a  
15 second. Let's vote. Commissioner Moretti?

16 MS. MORETTI: Aye.

17 MR. TOURTELOT: Commissioner Granzella?

18 MR. GRANZELLA: Aye.

19 MR. TOURTELOT: Commissioner Harris?

20 MR. HARRIS: Aye.

21 MR. TOURTELOT: Commissioner Tourtelot votes Aye.  
22 So that application is approved.  
23 MR. LIEBAU: Thank you.  
24 MR. TOURTELOT: I think that that's it. I don't  
25 believe that we are discussing anything further.

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01 MR. WOOD: That's correct, Mr. Chairman. That's  
02 all we can talk about today at this meeting.  
03 MR. TOURTELOT: Other than I want to repeat the  
04 Board's congratulations to Commissioner Harris and how  
05 excited we are to have his experience and knowledge  
06 available to us.  
07 MR. HARRIS: Thank you, very much.  
08 MR. TOURTELOT: Thank you. That's it.  
09 MR. WOOD: Meeting is adjourned?  
10 MR. TOURTELOT: Meeting is adjourned.  
11 MR. WOOD: Thank you.  
12 (Meeting adjourned at 2:39 p.m.)  
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